

291807Z Dec 05

ACTION AF-00

INFO	LOG-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00	DODE-00
	ITCE-00	DOTE-00	DS-00	EB-00	EXME-00	EUR-00	E-00
	FAAE-00	UTED-00	VCI-00	FRB-00	H-00	TEDE-00	INR-00
	LAB-01	L-00	M-00	VCIE-00	NEA-00	NRC-00	NSAE-00
	ISN-00	NSCE-00	OES-00	OMB-00	NIMA-00	EPAU-00	PM-00
	GIWI-00	ISNE-00	SP-00	IRM-00	SSO-00	SS-00	STR-00
	FMP-00	BBG-00	EPAE-00	IIP-00	SCRS-00	PMB-00	DSCC-00
	PRM-00	DRL-00	G-00	NFAT-00	SAS-00	SWCI-00	/002W

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FM AMEMBASSY NDJAMENA  
TO SECSTATE WASHDC PRIORITY 2846

INFO AMEMBASSY ABUJA  
AMEMBASSY DAKAR  
AMEMBASSY LIBREVILLE  
AMEMBASSY LONDON  
AMEMBASSY NIAMEY  
AMEMBASSY PARIS  
AMEMBASSY YAOUNDE  
DEPT OF TREASURY WASHDC  
USDOC WASHDC  
DOE WASHDC

UNCLAS NDJAMENA 001875

SIPDIS

LONDON AND PARIS FOR AFRICA WATCHERS, TREASURY FOR OTA,  
ENERGY FOR GPERSON AND CGAY

E.O. 12958: N/A  
TAGS: [CD](#) [ECON](#) [EFIN](#) [ENRG](#) [EPET](#) [PGOV](#)  
SUBJECT: CHAD ASSEMBLY AMENDS OIL LAW; BILL AWAITS  
PRESIDENT'S SIGNATURE

REF: NDJAMENA 1851 AND PREVIOUS

**11.** SUMMARY: Following a four-hour delay, the Government of Chad-proposed legislation to amend the existing Revenue Management Law passed resoundingly in the National Assembly on December 29. The legislation now goes to the desk of the Head of State for promulgation (ratification). The rapid debate and vote by the National Assembly is not a positive sign for the GOC's commitment to negotiations with the World Bank. END SUMMARY

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FOLLOWING DELAY, LAW COMES TO THE FLOOR  
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**12.** The Chadian National Assembly voted on December 29 to ratify the Government's proposed legislation to amend the existing Oil Revenue Management Law. The debate was originally scheduled to take place at 10 am, but a temporary boycott by Deputies from the Opposition, as well as confusion on the scheduling of the debate by members of the ruling MPS party forced a four-hour delay. After the opposition finally agreed to enter the floor of the Assembly, the debate began at 2 PM.

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GOC, OPPOSITION PRESENT THEIR CASES; LEGISLATION EASILY APPROVED

**13.** The Government of Chad (GOC), which was represented by the Minister of Finance, Abbas Tolli, and the Minister of Plan, Economy and Cooperation, Mahamat Hassan, presented its case to the Deputies present on the floor. Tolli noted that the Government had spent a great deal of time developing a strategy to alleviate the poverty of the Chadian people, and concluded that the passage of this legislation would give the Government the means to aid its citizens. Tolli added that the World Bank, which often acted as a colonial institution, should not intervene in the country's sovereign right to amend its own laws.

**14.** Lol Choua, head of the opposition "Democratic Rallying for the People" (RDP) party, presented the opposition case, and said that the country risked isolating itself from the international community with the passage of this amendment. Following his comments, the President of National Assembly called for a vote on two pieces of legislation: the amendment to the Revenue Management Law and legislation authorizing the Government to collect revenues for fiscal year 2006 (NOTE: This legislation is a critical legal mechanism to permit the Government to begin utilizing resources from the Fund for

Future Generations, should the legislation become ratified. END NOTE). Both pieces of legislation passed resoundingly, as 119 members voted for the legislation, 13 voted against it, and one deputy abstained.

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NEXT STEPS  
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15. In the next few days, the President of National Assembly will send a correspondence to the Office of Presidency with both pieces of legislation attached. Following a review and approval by the Council of Ministers, the legislation will reach the desk of the President. The signature of the Head of State is required for the law to come into force.

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COMMENT  
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16. While the law still needs to be promulgated by the President, the one-day turnaround by the National Assembly -- while not entirely unexpected -- does not bode well for proposed negotiations between the Government and the World Bank on the revisions to the law. It is looking more and more as if the GOC will present the revisions to the Bank as a fait accompli, thereby forcing the bank to re-consider its

technical and political missions in January (reftel). Post will report on the reaction of the opposition groups, the donor community and the oil consortium in the coming days.

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